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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992

Commission File Number: 0-10710

AMBANC CORP.

(exact name of registrant as specified in its charter)

INDIANA	35-1525227
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer ID No.)
302 Main Street Vincennes, Indiana	47591
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	(812) 882-3050

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes: X No: ____

716,178 common shares of stock were outstanding as of May 8, 1992.

Exhibit Index on Page 16

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AMBANC CORP. AND SUBSIDIARIES

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AMBANC CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except share data)

	March 31, 1992 (Unaudited)	December 31 1991 (Unaudited)
ASSETS		
Cash and due from banks	$ 10,838	$ 10,397
Federal funds sold	8,812	15,800
Total cash and cash equivalents	19,650	26,197
Interest bearing deposits in other banks	2,672	1,800
Investment securities (market values of of $99,633 at March 31, 1992, and $94,089 at December 31, 1991	97,614	91,581
Loans held for sale	11,173	12,198
Total loans	197,787	200,562
Less: Unearned income	(217)	(269)
Less: Allowance for loan losses	(2,380)	(2,467)
Loans - net	195,190	197,826
Premises, furniture and equipment, net	4,716	4,738
Accrued interest receivable and other assets	4,230	4,505
TOTAL ASSETS	$ 335,245	$ 338,845
LIABILITIES AND SHAREHOLDERS' EQUITY		
Noninterest bearing deposits	$ 26,658	$ 31,614
Interest bearing deposits	274,146	272,240
Total deposits	300,804	303,854
Short-term borrowings	2,177	2,825
Long-term debt	--	460
Accrued interest payable and other liabilities	2,791	2,842
TOTAL LIABILITES	305,772	309,981
Preferred stock, $10 par value, 200,000 shares authorized, no shares issued or outstanding	--	--
Common stock, $10 par value, 1,000,000 shares authorized, 716,178 shares issued and outstanding at March 31, 1992 and December 31, 1991	7,162	7,162
Retained earnings	22,311	21,702
TOTAL SHAREHOLDERS' EQUITY	29,473	28,864
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 335,245	$ 338,845

CONSOLIDATED STATEMENTS OF INCOME

(Dollar amounts in thousands, except share data)

(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Interest Income		
Interest and fees on loans	$ 4,602	$ 5,400
Interest and fees on loans held for sale	239	151
Interest on investment securities		
Taxable	1,428	1,565
Tax exempt	311	344
Other interest	119	308
Total Interest Income	6,699	7,768
Interest Expense		
Deposits	3,310	4,570
Short-term borrowings	18	61
Long-term debt	3	9
Total Interest Expense	3,331	4,640
Net Interest Income	3,368	3,128
Provision for loan losses	225	150
	3,143	2,978
Noninterest Income		
Fiduciary services	109	95
Service charges on deposit accounts	194	176
Other operating income	85	93
Total Other Income	388	364
Noninterest Expense		
Salaries and employees benefits	1,172	1,090
Occupancy - net of rental income	144	147
Equipment expenses	132	115
Data processing expenses	136	122
FDIC expense	168	148
Other operating expenses	486	516
Total Other Expense	2,238	2,138
Income before income taxes	1,293	1,204
Income taxes	398	335
Net Income	$ 895	$ 869
Earnings per common share (based on 716,178 shares in 1992 and 1991)	$ 1.25	$ 1.21

ANBANC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in thousands, except share data)

(Unaudited)

	Three Months Ended March 31, 1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 895	$ 869
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	173	161
Provision for loan losses	225	150
Net change in loans held for sale	1,025	(6,422)
Gain on sale of assets	--	(1)
Accrued interest receivable and other assets	275	72
Accrued interest payable and other liabilities	(51)	115
Deferred loan fees net of costs	(2)	45
Net cash from operating activities	2,540	(5,011)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities	--	50
Proceeds from maturities of investment securities	9,707	13,010
Purchase of investment securities	(16,492)	(18,557)
Net change in interest bearing deposits in other banks	(872)	(129)
Loans made to customers, net of payments collected	(1,809)	8,804
Loans purchased from third parties	--	(100)
Proceeds from sales of loans	4,974	801
Property and equipment expenditures	(151)	(58)
Net cash from investing activities	(4,643)	3,821
CASH FLOWS FROM FINANCING ACTIVIES		
Net change in demand deposits, NOW accounts and savings accounts	2,177	(16,664)
Net change in certificates of deposit	(5,227)	9,135
Net change in short-term borrowings	(648)	(1,381)
Net change in federal funds purchased	--	(400)
Payments on long-term debt	(460)	--
Dividends paid	(286)	(264)
Net cash from financing activities	(4,444)	(9,574)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,547)	(10,764)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,197	34,121
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 19,650	$ 23,357
Supplemental disclosures of cash flow information cash paid during the period ended March 31:		
Interest	$ 3,118	$ 4,684
Income taxes	--	--

AMBANC CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of and for the three months ended March 31, 1992
(Dollar amounts in thousands, except share data)
(Unaudited)

ITEM 1.

CONSOLIDATED FINANCIAL STATEMENTS

On January 1, 1992, AMBANC Corp. completed the acquisition of the Patoka National Bank, Patoka, Indiana (PNB). The acquisition, which has been accounted for as a pooling of interest, involved the issuance of 54,000 shares of AMBANC Corp. common stock in exchange for the 18,000 outstanding shares of PNB. The acquisition was effected by the merger of PNB into The American National Bank of Vincennes(ANB), a wholly owned bank subsidiary, resulting in the former Princeton and Patoka locations of PNB becoming Branch locations of ANB. The following is presented to show the pooling of interest for the audited AMBANC Corp. balance sheet and PNB balance sheet consolidated as of December 31, 1991. The March 31, 1991, statements of income and statements of cash flow represent the combining of information for PNB and the previous AMBANC Corp.

CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except share data)

	December 31 1991 (Audited)	Patoka December 31, 1991 (Unaudited)	Consolidated December 31, 1991 (Unaudited)
ASSETS			
Total cash and cash equivalents	$ 22,491	$ 3,706	$ 26,197
Interest bearing deposits in other banks	215	1,585	1,800
Investment securities	87,696	3,885	91,581
Loans held for sale	12,198	—	12,198
Loans – net	188,108	9,718	197,826
Accrued interest receivable and other assets	8,404	839	9,243
TOTAL ASSETS	$ 319,112	$ 19,733	$ 338,845
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total deposits	$ 285,628	$ 18,226	$ 303,854
Accrued interest payable and other liabilities	5,945	182	6,127
TOTAL LIABILITES	291,573	18,408	309,981
TOTAL SHAREHOLDERS' EQUITY	27,539	1,325	28,864
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 319,112	$ 19,733	$ 338,845

AMBANC CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of and for the three months ended March 31, 1992
(Dollar amounts in thousands, except share data)
(Unaudited)

The Consolidated balance sheets as of March 31, 1992, consolidated statements of income for the three month period ended March 31, 1992 and 1991, and the consolidated statements of cash flows for the three month period ended March 31, 1992 and 1991, have been prepared by the Corporation, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at March 31, 1992, and all periods presented, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Corporation's December 31, 1991, annual report to shareholders. The results of operations for the period ended March 31, 1992, are not necessarily indicative of the operating results for the full year.

COMMITMENTS AND CONTINGENT LIABILITIES

Other than ordinary routine litigation incidental to the business, there are no material pending legal proceedings to which the Corporation or its subsidiaries are a party or of which any of their property is the subject.

SUBSEQUENT EVENT

At the annual meeting of shareholders on April 21, 1992, the shareholders approved a proposal to increase the number of authorized common shares of the Corporation from 1,000,000 to 5,000,000 shares. Effective with the approval of the Office of the Secretary of State of the State of Indiana on April 22, 1992, AMBANC Corp. now has 5,000,000 authorized shares of common stock.

AMBANC CORP. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS

OF OPERATIONS AND FINANCIAL CONDITION

As of and for the three months ended March 31, 1992
(Dollar amounts in thousands, except share data)

ITEM 2.

RESULTS OF OPERATIONS

	Three Months Ended March 31,		
	1992	1991	Increase (Decrease)
Net Interest Income:			
Interest income	$ 6,699	$ 7,768	(13.76)%
Interest expense	3,331	4,640	(28.21)
Net interest income	$ 3,368	$ 3,128	7.67 %
Net income	$ 895	$ 869	2.99 %
Per share	$1.25	$1.21	

Net interest income increased $240 or 7.67% for the three months ended March 31, 1992, compared to the first three months in 1991. This $240 is a combination of a $1,069 decrease in interest income offset by a $1,309 reduction in interest expense. The $1,069 decrease in interest income is composed of a decrease of $63 due to decreased volume of average earning assets and a decrease of $1,006 due to decreased rates received on these earning assets. The $1,309 reduction in interest expense is a combination of a decrease of $68 due to decreased volume of average interest bearing liabilities and a decrease of $1,241 due to rate reductions on these interest bearing liabilities.

Average earning assets decreased from $313,059 for the three months ended March 31, 1991 to $315,111 for the three months ended March 31, 1992, for a decrease of $2,948 in average earning assets employed by the Corporation. Average interest bearing liabilities decrease from $275,590 for the three months ended March 31, 1991 to $270,035 for the three months ended March 31, 1992, for a decrease of $5,555 in average interest bearing liabilities. Noninterest bearing deposits averaged $29,000 for the three months ended March 31, 1992, which was a $657 increase from the average of $28,343 for the three months ended March 31, 1991.

Net interest margin increased .34% from 3.93% for the first three months of 1991 to 4.27% for the first three months of 1992. This increase is due to the cost on interest bearing deposits reducing faster than the yield received on interest bearing assets. Yields on loans and investments and cost of deposits, although not completely determined by the prime rate, are influenced by changes in the prime rate. The prime rate had decreased steadily during 1991 starting off at 10.00% and going down to 6.50% in December, 1991 where it also remained during the first quarter of 1992. The Corporation has historically had a higher percentage of interest bearing assets that reprice based upon changes in the prime rate than it has interest bearing liabilities that reprice with changes in prime. During the period of 1991, when prime was reducing, the Corporation also experienced customer demand for fixed rate installment and real estate loans because of the customers' demand to lock in loans at a reduced rate. The Corporation's yield on earning assets was at 9.77% during the first quarter of 1991 and reduced to 8.50% during the first quarter of 1992 for a year to year reduction of 1.27%. Also during 1991, the Corporation was able to reduce the cost of interest bearing liabilities because of reductions allowed by the lower prime rates. The historical lag time in the repricing of deposits has been passing during 1991 and the first quarter of 1992 and the cost of interest bearing liabilities has reduced from 6.73% for the first three months of 1991 to 4.93% for the first three months of

1992 for a 1.80% reduction in cost of deposits. Interest spread which is the difference between yield on interest earning assets and cost on interest bearing liabilities has increased to 3.57% during the first quarter of 1992 from 3.04% during the first quarter of 1991.

The provision for loan loss was $225 during the first three months of 1992 as compared to $150 during the first three months of 1991 for an increase of $75. The allowance for loan loss at March 31, 1992, was $2,380 or 1.20% of total loans less unearned. The adequacy of the allowance for loan loss is analyzed individually by management of each bank subsidiary based upon review of identified loans with more than normal degree of risk, historical loan loss percentage and present and forecasted economic conditions. Based upon management's analysis, the allowance for loan loss at March 31, 1992, is adequate to cover future possible loan losses.

Noninterest income for the three months ended March 31, 1992, was $388 as compared to $364 for the three months ended March 31, 1991, for an increase of 6.59% or $24. During 1992, Fiduciary services increased 14.74% or $14 and service charges on deposit accounts increased 10.23% or $18. Both of these increases were due to increased fee schedules. The $8 or 8.60% decrease in other noninterest income is due to many small increases and decreases with the major item being a decrease in insurance commission income.

Noninterest expense for the three months ended March 31, 1992, was $2,238 as compared to $2,138 for the three months ended March 31, 1991, for an increase of 4.68% or $100. Salaries and employee benefits increased $82 or 7.52% due to normal increases and timing differences of payments in 1992 over 1991. Without these timing differences, 1992 salary and benefits would have been $1,132 or an increase of only 3.85% or $42 from the first three months of 1991. Occupancy expense remained constant with only a $3 or 2.04% decrease in 1992 over 1991. Equipment expense increased $17 or 14.78% due to

increases in depreciation expense and land rent due to the addition of equipment and a new ATM site in 1992. Data processing expenses increased $14 or 11.48% due to the added expense of converting the customer accounts of PNB to the ANB computer system. The $20 or 13.51% increase in FDIC expense is due to the increase in the deposit insurance rate in 1992 as compared to 1991. The $30 or 5.81% decrease in other operating expenses is due to many increases and decreases, with the major increases being supplies and advertising and decreases being professional fees, director fees, insurance and bank processing fees.

Income before income taxes was up $89 or 7.39% while income taxes increased $63 or 18.81%. Net income which was $895 for the first three months of 1992 compared to $869 for the first three months of 1991 and was up $26 or 2.99%. Earnings per share for the quarter ended March 31, 1992 were $1.25 compared to $1.21 during the same period in 1991.

FINANCIAL CONDITIONS

Total assets of $335,245 at March 31, 1992, indicate a decrease of $3,600 or 1.06% from December 31, 1991, total assets of $338,845. Significant changes in assets during the first quarter included a decrease of $6,547 or 24.99% in total cash and cash equivalents, an increase of $6,905 or 7.39% in investment securities and interest bearing deposits, a decrease of $1,025 or 8.40% in loans held for sale and a decrease of $2,723 or 1.36% in total loans less unearned. Loans held for sale decreased due to sales of real estate loans into the secondary market with ANB retaining the servicing. The loan decrease was composed of a $1,451 increase in commercial and agricultural loans offset by a $2,435 decrease in installment loans and a $1,739 decrease in real estate loans. The Corporation has seen a decrease in consumer loan demand, other than for fixed rate real estate loans which are reflected as loans held for sale, due to the present economic environment.

Total deposits decreased $3,050 or 1.00% during the first three months ended March 31, 1992. This decrease is a combination of a $4,956 or 15.68% decrease in noninterest bearing deposits and a $1,906 or .70% increase in interest bearing deposits during the three months. Noninterest bearing deposits are historically higher at year end due to containing temporary influxes of public deposits and tax assessments that are not in the March 31, 1992, balance.

Total shareholders' equity increased $609 or 2.11% for the three months ended March 31, 1992, to $29,473 from $28,864 at December 31, 1991. The increase in shareholders' equity was net income of $895 less dividends paid of $286. The capital ratios for the Corporation as of March 31, 1992 were a primary capital ratio of 9.43%, leverage capital ratio of 8.85%, Tier 1 risk based capital ratio of 12.73% and Tier 2 risk based capital ratio of 13.76%. Equity per share was at $41.15 at March 31, 1992, compared to $40.30 at December 31, 1991.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

11 Statement of Computation of per share earnings. The copy of this exhibit filed as Exhibit 11 to AMBANC's Annual Report on Form 10-K for the year ended December 31, 1991, is incorporated herein by reference.

(b) No reports on Form 8-K were filed or required to be filed during the first quarter of 1992.

AMBANC CORP. AND SUBSIDIARIES

As of and for the three months ended March 31, 1992

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMBANC CORP.

(Registrant)

DATE: May 8, 1992 BY: R Watson

Robert G. Watson, Chairman of the Board, President and Chief Executive Officer

DATE: May 8, 1992 BY: Richard E. Welling

Richard E. Welling, Secretary, Treasurer and C.F.O.

AMBANC CORP. AND SUBSIDIARIES

As of and for the three months ended March 31, 1992

EXHIBIT INDEX

EXHIBITS		PAGE
11	Statement of Computation of per share earnings. The copy of this exhibit filed as Exhibit 11 to AMBANC's Annual Report on Form 10-K for the year ended December 31, 1990, is incorporated herein by reference.	*

* Incorporated by reference from previously filed documents.